

Claims:

1. A computer-based system for providing equity based benefits to a person dependent upon equity in property owned by the person, said system comprising:

5 a memory for storing a program; and

a processor for executing the program, said program comprising:

(a) code for securing a loan secured by a proportion of the equity, the loan having a principal value for a defined term;

10 (b) code for repaying the loan by periodically paying an interest charge determined on a simple interest basis;

(c) code for investing a residual of the loan;

(d) code for, if an equity-based retirement savings option is elected, accumulating earnings from the invested residual of the loan; and

15 (e) code for, if a life-expectancy retirement annuity option is elected, making a periodic payment from the residual of the loan; wherein the principal value of the loan becomes due for repayment at the end of the term.

2. A system according to claim 1, wherein:

the memory is configured as a plurality of memory modules;

20 the program is configured as a plurality of inter-related program modules stored in corresponding said memory modules; and

the processor is configured as a plurality of processor modules for executing the program modules, wherein at least some of the plurality of processor modules adapted to communicate over a network.

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3. A system according to claim 1, wherein if a rate of return of an investment in which said residual of the loan is invested according to the code (c) falls below a threshold, the program further comprises:

(f) code for capitalising an additional loan amount needed to compensate for a
5 difference between the rate of return and the threshold; and

(g) code for adding said additional loan to the principal of the loan to be repaid at the end of the term.

4. A computer program product including a computer readable medium having
10 recorded thereon a computer program for directing a processor to execute a method for providing equity based benefits to a person dependent upon equity in property owned by the person, said program comprising:

(a) code for securing a loan secured by a proportion of the equity, the loan having a principal value for a defined term;

15 (b) code for repaying the loan by periodically paying an interest charge determined on a simple interest basis;

(c) code for investing a residual of the loan;

(d) code for, if an equity-based retirement savings option is elected, accumulating earnings from the invested residual of the loan; and

20 (e) code for, if a life-expectancy retirement annuity option is elected, making a periodic payment from the residual of the loan; wherein the principal value of the loan becomes due for repayment at the end of the term.

5. A computer-based system for providing equity based benefits to a person
25 dependent upon equity in property owned by the person, said system comprising:

(a) means for securing a loan secured by a proportion of the equity, the loan having a principal value for a defined term;

(b) means for repaying the loan by periodically paying an interest charge determined on a simple interest basis;

5 (c) means for investing a residual of the loan;

(d) means for, if an equity-based retirement savings option is elected, accumulating earnings from the invested residual of the loan; and

(e) means for, if a life-expectancy retirement annuity option is elected, making a periodic payment from the residual of the loan; wherein the principal value of the loan
10 becomes due for repayment at the end of the term.

6. A method for providing equity based benefits to a person dependent upon equity in property owned by the person, said method being implemented on a computer based system comprising at least one program running on a corresponding at least one computer
15 platform, said method comprising the steps of:

securing a loan secured by a proportion of the equity, the loan having a principal value for a defined term;

repaying the loan by periodically paying an interest charge determined on a simple interest basis;

20 investing a residual of the loan;

if an equity-based retirement savings option is elected, accumulating earnings from the invested residual of the loan; and

if a life-expectancy retirement annuity option is elected, making a periodic payment from the residual of the loan; wherein the principal value of the loan becomes
25 due for repayment at the end of the term.

7. A computer program product having a computer readable medium having at least one computer program module recorded therein for directing at least one processor to implement a method of generating, for a retiree, periodic payments secured by equity in the retiree's home, the at least one program module comprising:

- (a) code for obtaining, by a service provider from a financier, a loan having a principal value for a defined term, wherein the loan is secured by the equity in the retiree's home;
- (b) code for periodically paying, by the service provider to the financier over the term, an interest repayment determined on a simple interest basis;
- (c) code for paying, by the service provider to the retiree, the periodic payments;
- (d) code for charging the retiree by the service provider, in regard to each said periodic payment, an interest charge determined on a simple interest basis;
- (e) code for investing a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the simple interest payments to the financier in the step (b) and the periodic payments to the retiree in the step (c) and the simple interest charges paid by the retiree in the step (d); and
- (f) code for repaying, by the retiree to the financier at the end of the term, the principal of the loan.

8. A computer based method of generating, for a person, periodic payments secured by equity in property of the person, the method comprising the steps of:

- (a) obtaining, from a first provider, a loan having a principal value for a defined term, wherein the loan is secured by the equity;

(b) periodically paying, to the first provider over the term, an interest payment determined on a simple interest basis;

(c) paying, to the person, the periodic payments;

(d) charging the person, in regard to each said periodic payment, an interest
5 charge determined on a simple interest basis;

(e) investing a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (b) and (c) and the amount received in the step (d); and

(f) repaying, to the first provider at the end of the term, the principal of the
10 loan; wherein:

(g) if the compound rate in the step (e) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalised and added to the principal of the loan to be repaid to the first provider in the step (f).

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9. A computer based method according to claim 27, comprising the further step of:

(h) if the compound rate in the step (e) rises above a second threshold, then accumulated surplus funds accruing in the investment vehicle are deducted from the principal of the loan to be repaid to the first provider in the step (f).

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10. A system for administering an equity based arrangement of generating, for a person, periodic payments secured by equity in property of the person, the system comprising:

(a) means for obtaining, from a first provider, a loan having a principal value
25 for a defined term, wherein the loan is secured by the equity;

(b) means for periodically paying, to the first provider over the term, an interest payment determined on a simple interest basis;

(c) means for paying, to the person, the periodic payments;

(d) means for charging the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis;

(e) means for investing a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (b) and (c) and the amount received in the step (d); and

(f) means for repaying, to the first provider at the end of the term, the principal of the loan; wherein:

(g) if the compound rate in the step (e) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalised and added to the principal of the loan to be repaid to the first provider in the step (f).

11. A system for administering an equity based arrangement of generating, for a person, periodic payments secured by equity in property of the person, the system comprising:

20 a plurality of memory modules for storing a corresponding plurality of inter-related application program modules; and

a plurality of processor modules for executing the program modules, said program modules comprising:

(a) code for obtaining, from a first provider, a loan having a principal value for a defined term, wherein the loan is secured by the equity;

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- (b) code for periodically paying, to the first provider over the term, an interest payment determined on a simple interest basis;
- (c) code for paying, to the person, the periodic payments;
- (d) code for charging the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis;
- (e) code for investing a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (b) and (c) and the amount received in the step (d); and
- (f) code for repaying, to the first provider at the end of the term, the principal of the loan; wherein:
- (g) if the compound rate in the step (e) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalised and added to the principal of the loan to be repaid to the first provider in the step (f).

12. A computer program product including at least one computer readable medium having recorded thereon a plurality of inter-related computer application program modules for directing a plurality of processor modules to execute a method for generating, for a person, periodic payments secured by equity in property of the person, said program modules comprising:

- (a) code for obtaining, from a first provider, a loan having a principal value for a defined term, wherein the loan is secured by the equity;
- (b) code for periodically paying, to the first provider over the term, an interest payment determined on a simple interest basis;

- (c) code for paying, to the person, the periodic payments;
 - (d) code for charging the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis;
 - (e) code for investing a residual of the loan, in an investment vehicle yielding
5 a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (b) and (c) and the amount received in the step (d); and
 - (f) code for repaying, to the first provider at the end of the term, the principal of the loan; wherein:
10 (g) if the compound rate in the step (e) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalised and added to the principal of the loan to be repaid to the first provider in the step (f).
- 15 13. A plurality of inter-related computer application program modules for directing a plurality of processor modules to execute a method for generating, for a person, periodic payments secured by equity in property of the person, said program modules comprising:
- (a) code for obtaining, from a first provider, a loan having a principal value for
a defined term, wherein the loan is secured by the equity;
 - 20 (b) code for periodically paying, to the first provider over the term, an interest payment determined on a simple interest basis;
 - (c) code for paying, to the person, the periodic payments;
 - (d) code for charging the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis;

(e) code for investing a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (b) and (c) and the amount received in the step (d); and

5 (f) code for repaying, to the first provider at the end of the term, the principal of the loan; wherein:

(g) if the compound rate in the step (e) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalised and added to the principal of the loan to be repaid to the
10 first provider in the step (f).

14. A method of generating, for the benefit of a person and a service provider, periodic payments dependent upon equity in property of the person, said method being implemented on a computer based system comprising at least one program running on a
15 corresponding at least one computer platform, the method comprising the steps of:

(a) obtaining from a financier a loan secured by the equity, the loan having a principal value and being for a term defined by a number of periods;

(b) investing the loan in a first investment vehicle that yields a first return for each said period on the amount invested; the method further comprising, for a current said
20 period, the steps of:

(i) withdrawing an interest charge, determined on a simple interest basis with reference to the principal value, and further withdrawing a fixed proportion of the principal value, from the residual of the loan invested in the first investment vehicle;

(ii) paying the interest charge to the financier;

(iii) deducting a charge from said fixed proportion, said charge comprising the benefit for the service provider;

(iv) investing for the benefit of the person the residual of the fixed proportion in an investment vehicle yielding a second return for the current period, said
5 second return being lower than the first return;

(c) repeating the steps (i) – (iv) for said number of periods; and

(d) repaying, by the person to the financier at the end of the term, the principal of the loan.